DEPARTMENT OF SOCIAL SERVICES
744 P Street, Sacramento, California 95814

October 30, 2002

ALL COUNTY INFORMATION NOTICE I-80-02

TO: ALL COUNTY WELFARE DIRECTORS
      ALL FOOD STAMP COORDINATORS

REASON FOR THIS TRANSMITTAL

[ ] State Law Change
[ ] Federal Law or Regulation
    Change
[ ] Court Order
[ ] Clarification Requested by
    One or More Counties
[X] Initiated by CDSS

SUBJECT: RECIPIENT CLAIMS SELF-ASSESSMENT GUIDE

REFERENCE: ALL COUNTY INFORMATION NOTICE I-51-02

The purpose of this notice is to distribute the Recipient Claims Self-Assessment Guide as mentioned in All County Information Notice (ACIN) I-51-02. This guide was created by the United States Department of Agriculture, Food and Nutrition Service (FNS) as a means for counties to evaluate their claims and collections processes and performance.

The attached Recipient Claims Self-Assessment Guide contains four modules: the Local Office Claims Establishment Module, Local Office Claims Collections and Management Module, Central Office Claims Processes Module, and FNS-209 Report Validation Module. These modules should be distributed to the appropriate personnel in the corresponding areas of claims management for completion and self-assessment.

As stated in ACIN I-51-02, FNS and CDSS consider recipient claims management a priority issue. The Recipient Claims Self-Assessment Guide will allow counties to evaluate their individual claims establishment and collection performance and identify where improvements can be made. The California Department of Social Services will review county self assessment information along with the county's overissuance collection efforts in the federally mandated management evaluation reviews scheduled for FFY 2003.

If you have any questions regarding this notice or the attached Recipient Claims Self-Assessment Guide, please contact Bill Mullinax, Program Analyst, Food Stamp Policy Bureau, at (916) 657-3418 or Teena Arneson, Program Analyst, Fraud Bureau, at (916) 263-5725.

Sincerely,

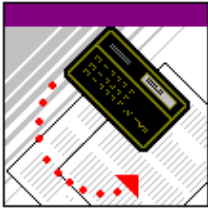**Original signed by**
GARY SWANSON, Chief
Food Stamp Branch

Attachments

Recipient Claims
Self-Assessment Guide
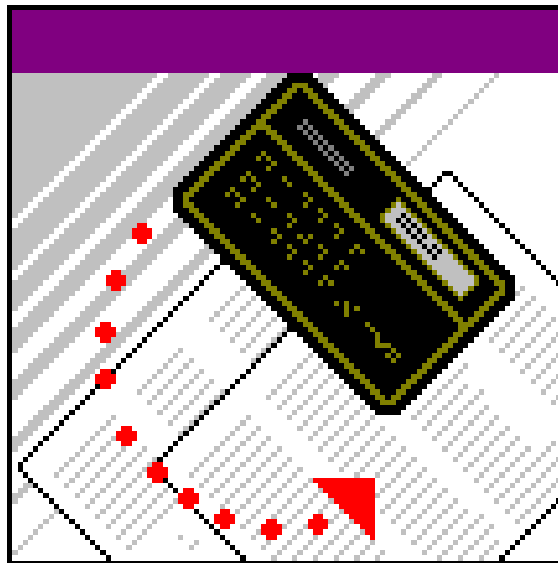
Local Office
Claims Establishment Module

Revised
February 2002

Business Objectives:[1]

The organization will take the necessary steps to ensure that it has efficient and effective means at the local office level for identifying, calculating, and establishing recipient claims. The local office's claims management system will comply with all federal, state, and local regulations, standards, procedures, and agreements when investigating or establishing recipient claims.

The organization is willing to explore and implement new ways to aggressively book claims to protect the integrity of assistance programs.
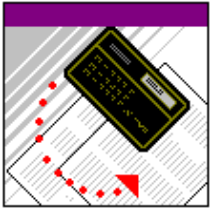
Control Objectives (**CO**):

An efficient and effective claims management system will have a number of well-devised manual and automated procedures in place to support the identification, calculation, and establishment of claims.

1. Competent and sufficient staff have been assigned to handle and manage the claims function.   Functions have been adequately defined and segregated.

2. A system of automated and manual procedures is in place to ensure the accurate and timely establishment of claims on the organization's accounts receivable system (*e.g.,* written standards and procedures, computerized controls, management reviews).

3. A system is in place to ensure the timely and proper referral of cases involving possible fraud to investigators, local prosecutors, and/or administrative hearings officers; the system also supports the tracking of the status of referred cases and identifies the need for follow-up action.

4. Tools exist that allow managers to monitor the efficiency and effectiveness of claims business processes (*e.g.,* management reports, on-line messages/lists).

5. Independent reviews are conducted periodically to increase the confidence levels that claims standards and procedures are being followed and remain effective (*e.g.*, internal audits, management evaluation reviews).

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[1] Business objectives are the same as management or organizational objectives. They are the goals the organization hopes to achieve over a specific period of time.
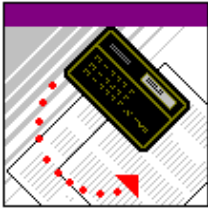
Review Expectations:

The staff completing this section should have a thorough knowledge of how claims are identified and established in the local/county office.

CO1. Staffing/Organization Issues:

1. Provide organization charts or descriptions that show where claims functions are placed within the overall organization. Note the names of units/staff responsible for the following claims functions:

Function	Unit/Person's Name
a) Identifying potential claims:	
b) Establishing claims:	
c) Referring claims for IPV investigation:	
d) Conducting IPV investigations	
e) Tracking status of IPV investigations:	
f) Managing the claims function:	

2. Using organization charts or staffing tables, show how many staff are responsible for each of the functions listed above.

3. Include job descriptions for key claims staff in the functions listed above.
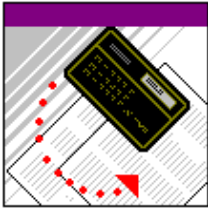
CO2. Written and Automated Controls & Procedures:

Written Standards & Procedures (S&Ps):

1. Do you have *written* S&Ps outlining the following claims tasks?

Tasks/Function	Yes	No	Is the procedure Statewide or local?
Identification & Referral of Potential Claims (to Claim and/or Fraud Investigators) If Yes, S&P Reference:	☐	☐	
Claims Establishment If Yes, S&P Reference:	☐	☐	
Claims Calculation If Yes, S&P Reference:	☐	☐	
Managing Pending Claims Workloads If Yes, S&P Reference:	☐	☐	

Comments:

2. Please provide copies of any procedures identified above.

4. To the best of your knowledge, are you currently out of compliance with current Federal or State claims regulations, policy guidance or waivers?

      ☐ Yes
      ☐ No

4. If yes, do you have a corrective action plan in place to correct any deficiency or variance? Please include any written CAPs with your submission.

Variance/Deficiency 1 Summary:

      ☐   An action plan needs to be implemented to correct the variance
      ☐   The State has approved the variance; an action plan is not needed at this time[2]

Variance/Deficiency 2 Summary:

      ☐   An action plan needs to be implemented to correct the variance
      ☐   The State has approved the variance; an action plan is not needed at this time

     Comments:

5. If written claims S&Ps exist, is compliance with S&Ps by local staff considered mandatory or voluntary?

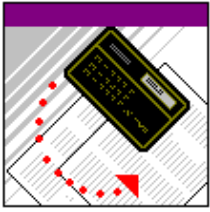   ☐   Mandatory
      ☐   Voluntary
      ☐   Mixed

If mixed, explain:

6. Do you have any processing dollar value thresholds or timeliness standards for establishing claims?

      ☐ Yes
      ☐ No

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[2] Please consider if the variance has been approved (if necessary) by FCS.

If yes, briefly summarize and note if the threshold/standard is a State or local convention:

7. Is the agency supposed to book and collect a potential IPV claims as an IHE pending the outcome of the IPV?

☐ Yes
☐ No

8. Are *potential* IPV claims booked on the eligibility/accounts receivable system(s)?:[3]

☐ Yes
☐ No

If No, do you know the total value of cases designated as potential IPVs?:

☐ Yes   Total Value: $_____, as of __/__/__.
☐ No

9. Describe on a separate sheet of paper how the following potential claim sources are fed into local claims processes:
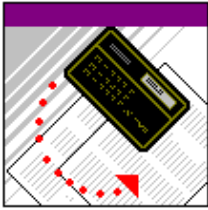
   a. IEVS matches
   b. Hot line complaints/allegations
   c. Overissuances from QC case reviews
   d. Client or collateral information

10. Create (or provide) a flow chart or narrative description of claims establishment and referral S&Ps for your office.

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[3] By potential IPVs, we are referring to cases which have been referred for fraud investigation, but the final disposition of the case is not yet known.

Automated Procedures:

1. List all of the automated systems that are used to support claims operations (*other than* the centralized eligibility/accounts receivable system), each system's purpose and who uses each system:[4]

    » Note: If completed in Part 2 of the Guide *OR* if no automated systems are used except the eligibility/accounts receivable system, skip to CO3 on p. 8. «

System Name:	Claims Function(s):[5]	Users:
1.		
2.		
3.		
4.		
5.		

   Additional comments:

2. Provide documentation summarizing each system's environment[6] and functionality.

3. Are there interfaces between these systems *OR* is keying of the same data on multiple systems necessary?
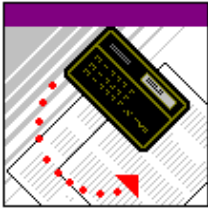
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[4] Some important claims data and functions may reside on PC-based systems. Remember to include those systems used to track cases that have been referred for fraud investigation.

[5] If system documentation is available that describes system functionality, simply note that the information is contained in item 2. User manuals or training materials will frequently suffice, as will excerpts from general or detailed systems design documents.

[6] In many instances, technical documentation does not exist for locally developed/used systems; user manuals and training materials will frequently suffice. If no documentation exists, please briefly note the name of the application, if it's PC- or mainframe-based, whether it's home-grown or off-the-shelf, etc.
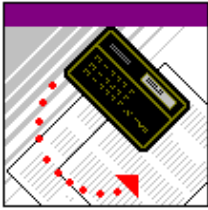
4. What tools and procedures are used to identify/resolve data discrepancies (*e.g.*, missing data, different data showing on different systems for the same account)?

Tool's name:[7]	User:	Purpose:
1.		
2.		
3.		
4.		
5.		
6.		

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[7] Common tools are balancing, exception, and summary reports, and computer-assisted auditing tool (CAAT) software. Please provide the name of the tool (report number or CAAT's name).

6. Is access to these systems provided on a "need-to-know/do" basis only?[8]

System Name:	User(s):	Access:[9]
1.	1. 2. 3.	1. 2. 3.
2.	1. 2. 3.	1. 2. 3.
3.	1. 2. 3.	1. 2. 3.
4.	1. 2. 3.	1. 2. 3.
5.	1. 2. 3.	1. 1. 2.

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[8] Note that this represents a rudimentary review of logical, or computer-based, access controls over the claims area. Most systems can control access to specific screens and fields based on the user's profile. The purpose here is to gain some confidence that access is controlled.

[9] A drop-down box will appear for those using the Guide "form" format. For all other users, use the following codes:
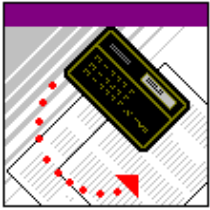
I : Inquiry only
U : Update (and inquiry) only - user can change information on existing accounts, but cannot create new ones
C : Create (and inquiry) only - user can create new accounts, but cannot change information on existing ones
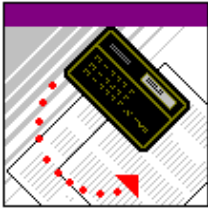D : Delete (and inquiry) only
P : Update and delete
O : All of the above

7. Are access violation or authorized user reports/alerts generated and reviewed by appropriate staff to ensure compliance with the "need to know/do" access principle?

☐ Yes
☐ No

If access violation or authorized user reports are generated, please complete the following:

Report Name/#	Report/Alert Type:	Who uses it?:	How is it used?
	☐ Access Violation ☐ Auth'd User List		
	☐ Access Violation ☐ Auth'd User List		
	☐ Access Violation ☐ Auth'd User List		

CO3. Fraud Referrals and Tracking Systems:

1. Summarize local office fraud referral criteria:

(If the criteria and other pertinent information is summarized in a written agreement with the local prosecutor, provide a copy of the agreement.)

2. Under what circumstances are referral criteria modified?

3. Do you have *written* S&Ps outlining the following fraud referral/claim establishment tasks?
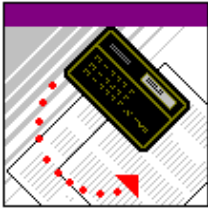
Tasks/Function	Yes	No	Is the procedure Statewide or local?
Identification & Referral to Fraud Investigators If Yes, S&P Reference:	☐	☐	
Follow up on cases referred to Fraud Investigators If Yes, S&P Reference:	☐	☐	
Follow up on cases referred for prosecution If Yes, S&P Reference:	☐	☐	
Establishing claims once IPV has been determined If Yes, S&P Reference:	☐	☐	

Comments:

2. Please provide copies of any procedures identified above.

4. Is a fraud referral tracking system in place?

> ☐ Yes
> ☐ No

If "Yes", is it a manual or computerized system:
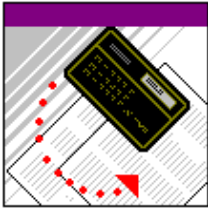
☐ Manual
☐ Computerized

(Note: If a computerized system is used, x-refer to CO2, *Automated Procedures*.)

5. Can the fraud tracking system generate the following types of reports and lists?:

Report Condition	Yes	No	If *Yes*, Report/List Name or I.D. #[10]
1. List of all cases referred for investigation and their status	☐	☐	
2. List of all cases rejected by fraud investigators	☐	☐	
3. Summary of the number of cases rejected by the fraud group	☐	☐	
4. Summary of the number of cases accepted, but pending the completion of fraud processes	☐	☐	
5. Aging report for #4 (*e.g.*, number of cases "in process" for 90 day, 180 day, 360 days,...)	☐	☐	
6. Summary of the total number of cases "in process" by age (*a la* #5), with the total value of the pending claims in each age category	☐	☐	
7. Summary of the number of cases fraud cases completed	☐	☐	

6. Describe how the reports and lists that are regularly generated are used:

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[10] The agency may have a database in place that can satisfy any of these conditions with an "ad hoc" report, but does not generate such a report regularly. If this is the case, mark the "Yes" box and note "ad hoc" in the 4th column.
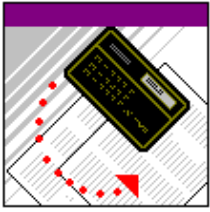
7. How would you best describe how "fraud" or intentional program violations resulting in an overpayment are determined?   More than one option may apply:

☐ Administrative Disqualification Hearings are managed and operated at the State level.

☐ Administrative Disqualification Hearings are managed at a County or Local level (or at a level below the State agency level).

☐ Fraud or intentional program violation status may be determined by a State court with appropriate jurisdiction.

☐ Fraud or intentional program violation status may be determined by a County or Local court with appropriate jurisdiction.

☐ Other:

8. For those cases where the debt has NOT been established in the claims accounting system for these pending determinations (or where a demand letter has not been sent), can the agency support the number of cases and the value of the Program debt that has been referred to ADH or Prosecution for a fraud determination and is currently pending this determination?

☐ Yes
☐ No

If you answer Yes, please supply the following:

Method of Determination	Number of Cases	Potential Debt Value	Estimate or Actual Numbers
Pending Prosecution		$	
Pending ADH		$	

If you answer NO, can you reasonably estimate the number and the value of the debt?

☐ Yes ... Estimated number: ; Estimated total value: $
☐ No

If the agency can provide estimates, how are the estimates calculated?

CO4. Claims Management Tools

1. Please provide templates, layouts or samples of claims-related reports that are used in your office.

2. Using management reports or audit and analysis tools, can you determine the following workload volumes by local office?:

Condition	Yes	No
Number of cases referred as potential claims per month:[11] By Worker? By Unit? By Office?	☐ ☐ ☐	☐ ☐ ☐
Number of claims completed per month: By Worker? By Unit? By Office?	☐ ☐ ☐	☐ ☐ ☐
Total number of claims on which the claims amounts/periods have been calculated, but the claim is in pending status for other reasons (*e.g.*, IPV investigations): By Unit? By Office?	☐ ☐	☐ ☐

If these reports and/or tools exist, who uses them and for what purpose?:
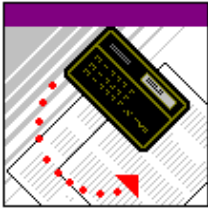
Is any trend analysis of claims data done? If so, by whom and when?:

3. If the agency uses special computer-assisted audit tools (CAATs) or analysis software in the claims area, please specify what CAAT or software package you use:

CO5. Testing compliance with, and effectiveness of, claims S&Ps and processes:

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[11] Based on an IEVS match, hot line complaint, client letter, etc.

1. How does the local office ensure that staff are accurately calculating and establishing claims and doing so in the most efficient and accurate manner possible?

2. Which of the following types of reviews have been done in your office *in the past two years*? If a function is not done by your office, mark **N/A** (Not Applicable) in the function box. Also indicate in the box who performed the review (FNS, USDA OIG, State OIG, State reviewers or auditors, local reviewers, etc.)

Function	Management Evaluations[12]	Single Audits	Focused Claims Reviews	Review of Mgmt Rprts[13]
Claims Establishment				
Claims Collections				
Fraud Referrals				
Claims Reporting And Accuracy				
TOP Processes				

If reviews and audits covered functions other than those listed in column 1, or if a unique review of the claims area was completed but does not fit in the categories listed above, please summarize below:
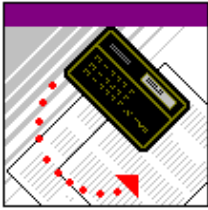
3. Did the reviews that were conducted over the past two years contain any claims findings or recommendations?

☐ Yes
☐ No

If Yes, what were they?:

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[12] These are usually conducted by State or Federal staff reviewing local office operations.
[13] This refers to computer-generated summary or exception reports.

4. Are any of the findings (those that required corrective action) listed in item 2 still open and unresolved?

    ☐ Yes
    ☐ No

    If Yes, which ones are still open?:

5. Does the agency have a sizable number of pending claims?[14]

    ☐ Yes
    ☐ No

    If Yes, how do you plan to address this problem?

6. How important is claims information, especially workload data, in:

    a) creating/modifying fraud referral criteria?
        ☐ Very important   ☐ Moderately important   ☐ Of little or no importance

    b) modifying business processes?
        ☐ Very important   ☐ Moderately important   ☐ Of little or no importance
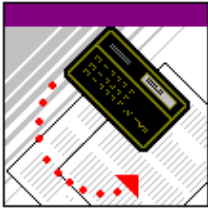
    c) adding or reducing claims staff?
        ☐ Very important   ☐ Moderately important   ☐ Of little or no importance

6. How reliable and useful is the claims data you now receive in the form of reports and alerts in:

    a) creating/modifying fraud referral criteria?

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[14] By sizable, we mean that the volume of pending claims is excessive when compared to either the FNS standard or the approved State standard for establishing claim referrals

☐ Very useful ☐ Moderately useful ☐ Of little or no use

b) assessing staff productivity?
☐ Very useful ☐ Moderately useful ☐ Of little or no use

c) managing claims workloads?
☐ Very useful ☐ Moderately useful ☐ Of little or no use

d) cost-justifying adding or reducing claims staff:
☐ Very useful ☐ Moderately useful ☐ Of little or no use

e) suggesting new efficiencies or processes that could be implemented:[15]
☐ Very useful ☐ Moderately useful ☐ Of little or no use

7. Is claims information from various sources (reports, reviews, etc.) analyzed and used by local management to develop short- or long-term business objectives in the claims area?

☐ Yes
☐ No

If so, please describe any quantitative or qualitative performance goals for claims establishment?
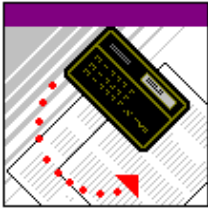
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[15] This would require a sophisticated system that could track claims work as it moved through the various tasks and units, measure the elapsed time for each task/unit, and identify phases in which little (apparent) action was taken before the case moved on to the next phase/task.

Recipient Claims
Self-Assessment Guide
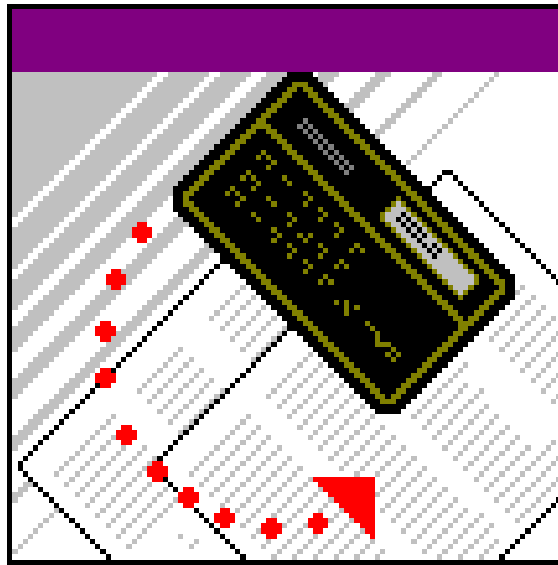
Local Office
Claims Collections and Management
Module

Revised
February 2002

Business Objectives:[1]

The organization will take the necessary steps to ensure that it has efficient and effective means at the local office level for collecting recipient claims. The local office's claims management system will comply with all federal, state, and local regulations, standards, procedures, and agreements when investigating or establishing recipient claims.

The organization is willing to explore and implement new ways that promise to dramatically increase collections in a cost-effective manner, and to write off aged claims for which cost-effective means of collection are unavailable.
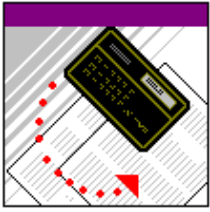
Control Objectives (**CO**):

An efficient and effective claims management system will have a number of well-devised manual and automated procedures in place to support the identification, calculation, and establishment of claims.

1. Competent and sufficient staff have been assigned to handle and manage the claims function. Functions have been adequately defined and segregated.

2. A system of automated and manual procedures are in place to ensure the accurate and timely collection of claims and adjustment of claims balances on the organization's accounts receivable system (*e.g.,* written standards and procedures, computerized controls, management reviews).

3. A system of (preferably) automated and manual procedures are in place to help identify claims for which cost-effective collection methods are currently unavailable, and should, therefore, be written off.

4. Tools exist that allow managers to monitor the efficiency and effectiveness of claims business processes (*e.g.,* management reports, on-line messages/lists).

5. Independent reviews are conducted periodically to increase the confidence levels that claims standards and procedures are being followed and remain effective (*e.g.,* internal audits, management evaluation reviews).

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[1] Business objectives are the same as management or organizational objectives. They are the goals the organization hopes to achieve over a specific period of time.
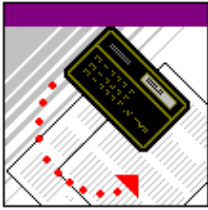
<u>Review Requirements:</u>

The staff who complete this assessment should have a good understanding of claims collection standards and processes. Staff may need to consult with information technology staff on systems issues.

CO1. Staffing/Organization Issues:

1. Provide organization charts or descriptions that show where claims functions are placed within the overall organization. Note the names of units/staff responsible for the following claims functions:

Function	Unit/Person's Name
a) Receives cash collections or food stamp returns	
b) Posts cash collections, food stamp returns, etc.	
c) Reconciling collection transactions	
d) Deposits collections	

2. Using organization charts or staffing tables, determine how many staff are responsible for each of the functions listed above.

3. Are private collection agencies used by the agency?

☐ Yes
☐ No
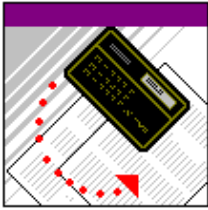
If Yes, what is the name of the firm and what types of claims do they handle?:[2]

Who acts as Coordinator and/or Contract Manager with the private firm?

4. To better understand unit roles/responsibilities, obtain job descriptions for key claims staff in the functions listed above.

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[2] Provide a copy of the contract if available

CO2. Collections Written and Automated Controls & Procedures:

Written Standards & Procedures (S&Ps):

1. Does the State or local agency have *written* S&Ps outlining the following claims tasks?

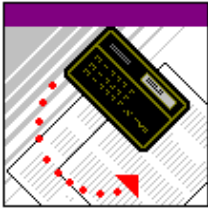| Tasks/Function	Yes	No	Is the procedure Statewide or local?
Proper Claims Collection Methods	☐	☐	
Proper Handling of Cash, Check/M.O., and Food Stamp Repayments	☐	☐	
Posting Claims Repayments	☐	☐	
Posting TOP Payments	☐	☐	
Managing the Collections/ Repayments Unit	☐	☐	
Allotment Reduction	☐	☐	

Comments:

2. Please provide copies of any procedures identified above.

3. To the best of your knowledge, are your collections procedures and/or practice currently out of compliance with current Federal claims regulations, policy guidance or waivers?

        ☐ Yes
        ☐ No

4. If yes, do you have a corrective action plan in place to correct any deficiency or variance? Please include any written CAPs with your submission.

Variance/Deficiency 1 Summary:

    ☐   An action plan needs to be implemented to correct the variance
    ☐   The State has approved the variance; an action plan is not needed at this time[3]

Variance/Deficiency 2 Summary:

    ☐   An action plan needs to be implemented to correct the variance
    ☐   The State has approved the variance; an action plan is not needed at this time

    Comments:

4. If written claims S&Ps exist, is compliance with S&Ps by local staff considered mandatory or voluntary?
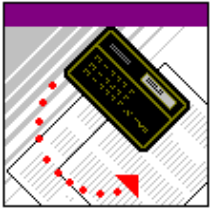
    ☐   Mandatory
    ☐   Voluntary
    ☐   Mixed

If mixed, explain:

5. Describe the process followed to post a single payment that is received on an account that has:

    a) More than one FS
       claim:
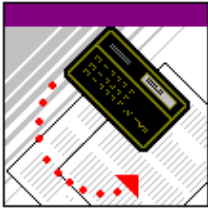   b) Multi-Program claims
    (*e.g.*, FS/ADC):

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[3] Please consider if the variance has been approved (if necessary) by FCS.

6. Create (or or provide) a flow chart or narrative of claims collection S&Ps for this office.

Automated Procedures:

1. List all of the automated systems that are used to support claims collections processes (*other than* the centralized eligibility/accounts receivable system), each system's purpose and who uses each system:[4]

    » Note: If completed elsewhere (i.e., in Part 1 of the Guide) *OR* if no automated systems are used except the eligibility/accounts receivable system, skip to CO3 on p. 9. «

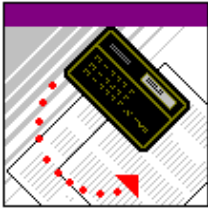| System Name:	Claims Function(s):[5]	Users:
1.		
2.		
3.		
4.		
5.		

    Additional comments:

2. Provide documentation summarizing each system's environment[6] and functionality.

3. Are there interfaces between these systems *OR* is keying of the same data on multiple systems necessary?

---

[4] Some important claims data and functions may reside on PC-based systems.

[5] If system documentation is available that describes system functionality, simply note that the information is contained in item 2. User manuals or training materials will frequently suffice, as will excerpts from general or detailed systems design documents.

[6] In many instances, technical documentation does not exist for locally developed/used systems; user manuals and training materials will frequently suffice. If no documentation exists, please briefly note the name of the application, if it's PC- or mainframe-based, whether it's home-grown or off-the-shelf, etc.

4. What tools and procedures are used to identify/resolve data discrepancies (*e.g.*, missing data, different data showing on different systems for the same account)?

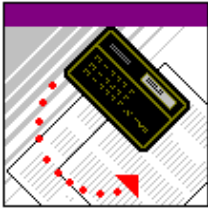| Tool's name:[7]	User:	Purpose:
4.		
5.		
6.		
7.		
8.		
9.		

5. Is allotment reduction fully automated or is manual intervention necessary to initiate recoupment?

☐ Automated
☐ Manual intervention required

---

[7] Common tools are balancing, exception, and summary reports, and computer-assisted auditing tool (CAAT) software. Please provide the name of the tool (report number or CAAT's name).

6. Is access to these systems provided on a "need-to-know/do" basis only?[8]

System Name:	User(s):	Access:[9]
1.	1. 2. 3.	1. 2. 3.
2.	1. 2. 3.	1. 2. 3.
3.	1. 2. 3.	1. 2. 3.
4.	1. 2. 3.	1. 2. 3.
5.	1. 2. 3.	1. 8. 9.

---

[8] Note that this represents a rudimentary review of logical, or computer-based, access controls over the claims area. Most systems can control access to specific screens and fields based on the user's profile. The purpose here is to gain some confidence that access is controlled.

[9] A drop-down box will appear for those using the Guide "form" format. For all other users, use the following codes:
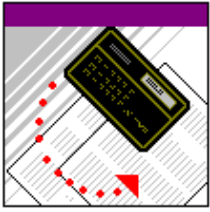
I : Inquiry only
U : Update (and inquiry) only - user can change information on existing accounts, but cannot create new ones
C : Create (and inquiry) only - user can create new accounts, but cannot change information on existing ones
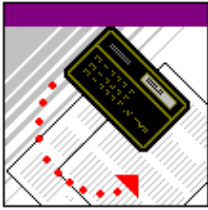D : Delete (and inquiry) only
P : Update and delete
O : All of the above

7. Are access violation or authorized user reports/alerts generated and reviewed by appropriate staff to ensure compliance with the "need to know/do" access principle?

☐ Yes
☐ No

If access violation or authorized user reports are generated, please complete the following:

Report Name/#	Report/Alert Type:	Who uses it?:	How is it used?
	☐ Access Violation ☐ Auth'd User List		
	☐ Access Violation ☐ Auth'd User List		
	☐ Access Violation ☐ Auth'd User List		

CO3. Claims Management Procedures (including TOP Referrals)

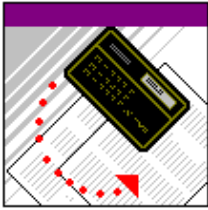1. Does the State or local agency have *written* S&Ps outlining the following claims tasks?

Tasks/Function	Yes	No	Is the procedure Statewide or local?
Compromising Claims			
Terminating, Writing-off and Adjusting Claims			
Claims found to be invalid	☐	☐	
All adult household members die	☐	☐	
The claim balance is $25 or less and claim is delinquent for more than 90 days	☐	☐	
The established claim is no longer cost effective to collect	☐	☐	
The claim is delinquent for 3 years or more and it is not in TOP	☐	☐	
The household cannot be located	☐	☐	
Treasury Offset Program			
Initially referring a claim for TOP	☐	☐	
Inactivating a TOP claim when the individual becomes part of an active FS household	☐	☐	
Reactivating a TOP claim when the individual becomes part of an active FS household	☐	☐	

Comments:

2. Please provide copies of any procedures identified above.

3. To the best of your knowledge, are your collections procedures and/or practice currently out of compliance with current Federal claims regulations, policy guidance or waivers?

    ☐ Yes
    ☐ No

4. If yes, do you have a corrective action plan in place to correct any deficiency or variance? Please include any written CAPs with your submission.

Variance/Deficiency 1 Summary:

☐ An action plan needs to be implemented to correct the variance
☐ The State has approved the variance; an action plan is not needed at this time[10]

Variance/Deficiency 2 Summary:

☐ An action plan needs to be implemented to correct the variance
☐ The State has approved the variance; an action plan is not needed at this time

Comments:

5. If written claims S&Ps exist, is compliance with S&Ps by local staff considered mandatory or voluntary?

☐ Mandatory
☐ Voluntary
☐ Mixed

If mixed, explain:

6. Does the agency ever reactivate a claim that has already been compromised or terminated and written-off?
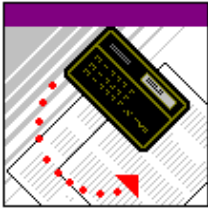
☐ Yes
☐ No

If Yes, what is the criteria used:

7. How does the computer system support the termination and write-off routine?

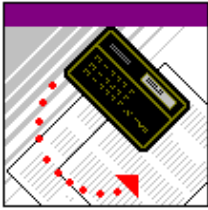[10] Please consider if the variance has been approved (if necessary) by FNS.

☐ System fully automates the identification and reclassification of claims meeting write-off parameters

☐ System identifies claims that may meet write-off criteria; staff must then manually review and approve the case for write-off

☐ System does not currently support write-off

Comments:

8. How does the computer system support the TOP management procedures?

☐ System fully automates the identification and reclassification of claims meeting TOP referral, deactivation and reactivation parameters

☐ System identifies claims that may meet TOP referral, deactivation and reactivation criteria; staff must then manually review and approve the action

☐ System does not currently support this activity

Comments:

CO4. Claims Management Tools

1. Please provide templates, layouts or samples of claims-related reports that are used in your office.

2. Do management reports provide you with the following information?

Information	Yes	No	If "Yes", List Report Name/I.D. #
Summary report(s) showing total collections by collection method:	☐	☐	
End-of-day balancing reports:	☐	☐	
Exception reports (*e.g.*, duplicate posting, incomplete posting):	☐	☐	

If these reports and/or tools exist, who uses them and for what?:
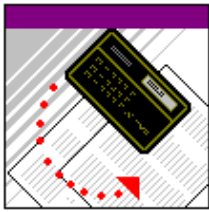
CO5. Testing compliance with, and effectiveness of claims S&Ps and processes:

1. How does the local office ensure that staff are accurately posting and managing claims and doing so in the most efficient manner possible?

2. Which of the following types of reviews have been done in your office *in the past two years*? Also indicate in the box who performed the review (FNS, USDA OIG, State OIG, State reviewers or auditors, local reviewers, etc.)
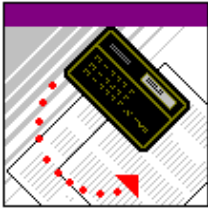
    » If a function is not done by your office, mark N/A (Not Applicable) in the function box. If this table was completed in the Claims Establishment Module, please note this and skip to item 5. «

Function	Management Evaluations[11]	Single Audits	Focused Claims Reviews	Review of Mgmt Rprts[12]
Claims Management				
Claims Collections				
Fraud Referrals				
Claims Reporting and Accuracy				
TOP Processes				

If reviews and audits covered functions other than those listed in column 1, or if a unique review of the claims area was completed but does not fit in the categories listed above, please summarize below:

---

[11] These are usually conducted by State or Federal staff reviewing local office operations.
[12] This refers to computer-generated summary or exception reports.

3. Did the reviews that were conducted over the past two years contain any claims findings or recommendations?

       ☐ Yes
       ☐ No

If Yes, what were they?:

4. Are any of the findings (those that required corrective action) listed in item 2 still open and unresolved?

       ☐ Yes
       ☐ No

If Yes, which ones are still open?:

5. How reliable and useful is the claims data you now receive in the form of computer-generated reports and alerts in:

a) determining how much money you have taken in during the day?
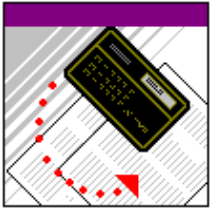
    ☐ Very useful   ☐ Moderately useful   ☐ Of little or no use

b) assessing staff productivity?

    ☐ Very useful   ☐ Moderately useful   ☐ Of little or no use

c) adjusting staffing levels

    ☐ Very useful   ☐ Moderately useful   ☐ Of little or no use

d) suggesting new efficiencies or processes that could be implemented:[13]

☐ Very useful   ☐ Moderately useful   ☐ Of little or no use

6. Is claims information from various sources (reports, reviews, etc.) analyzed and used by local management to develop short- or long-term business objectives in the claims area?

☐ Yes
☐ No

If so, please describe any quantitative or qualitative performance goals for claims collection and management ?

---

[13] This would require a sophisticated system that could track claims work as it moved through the various tasks and units, measure the elapsed time for each task/unit, and identify phases in which little (apparent) action was taken before the case moved on to the next phase/task.

Recipient Claims
Self-Assessment Guide
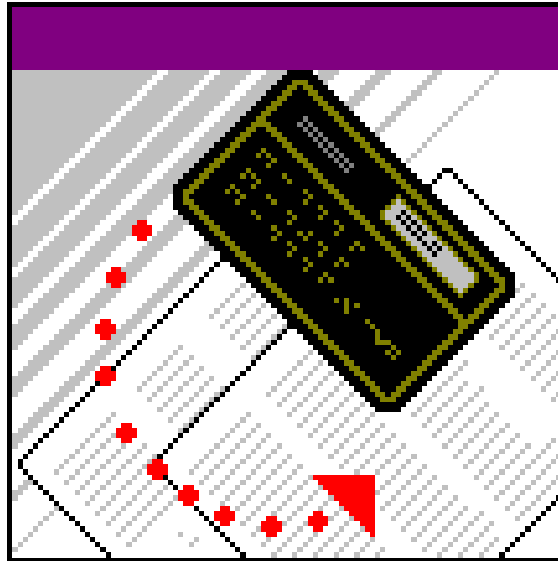
Central Office Claims Processes
Module

Revised
February 2002

Business Objective(s):[1]

The organization will take the necessary steps to ensure that it has an efficient and effective claims management system in place, and that its claims management system satisfies State and Federal regulations, standards, and procedures for maintaining, adjusting, and reporting claims information.
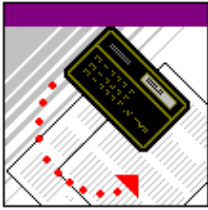
The organization will explore new ways to aggressively book and pursue claims collections to reduce receivables, maximize claims retention earnings, and protect the integrity of economic assistance programs. The organization is committed to providing accurate claims data on both internal and external reports, as well as to presenting the data in ways that will be useful to business planning at all levels of government.
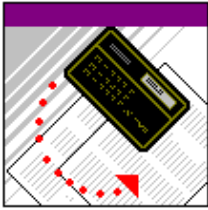
Control Objectives (**CO**):

An efficient and effective claims management system will have a number of well-devised manual and automated procedures in place to support the claims function. These procedures and controls will rest on a sound management plan for handling claims.

1. Competent and sufficient staff have been assigned to handle and manage the claims function. Functions have been adequately defined and segregated.

2. A system of automated and manual procedures are in place to ensure the accurate and timely adjustment of claims on the organization's accounts receivable system (e.g., written standards and procedures, application controls, management reviews).

3. Measures exist to ensure that claims data is reported accurately and in a timely manner to Federal agencies (e.g., the FNS-209 report, Claims Against Households, to FCS, and uncollected claims data to Treasury for the Federal Tax Return Offset Program, TOP).

4. A system is in place to ensure that the speedy and proper referral of cases involving possible fraud to investigators, local prosecutors, and/or administrative hearings officers; the system also supports the tracking of the status of referred cases and identify the need for follow-up action.

5. Automated and/or manual controls exist that ensure the proper and timely adjustment of claims balances based on TOP[2] or other third party collections.

---

[1] Business objectives are the same as management or organizational objectives. They are the goals the organization hopes to achieve over a specific period of time.
[2] TOP stands for the Treasury Offset Program.

6. Tools exist that allow central office managers to monitor the efficiency and effectiveness of claims business processes in their office and in local offices on an ongoing basis (*e.g.*, management reports).

7. Independent reviews are conducted periodically to increase the confidence levels that central office claims standards and procedures are being followed and remain effective (e.g., internal audits).

Review Requirements:

The staff who will complete this assessment should have a good understanding of Federal regulations and State standards, procedures, and processes for the claims function. Some consultation with information technology staff may be necessary to complete some sections of Part 3.

CO1. Staffing/Organization Issues:

1. Provide organization charts to see where claims functions are placed within the overall organization. Note the names of units responsible for the following claims functions:

Functions:	Unit/Person's Name
Developing claims policy:	
Submitting FNS-209 reports:	
Ensuring that FNS-209 data is accurate prior to submission to FNS:	
Managing overall TOP operations:	

2. Using organization charts or staffing tables, determine how many staff are responsible for each of the functions listed above.

3. If available, provide copies of job descriptions for key claims staff in the functions listed above.

CO2. Written and Automated Controls and Procedures:

Written Standards & Procedures:

1. Does the State have written standards and procedures (S&Ps) outlining the following claims functions?

Function	Yes	No
Claims Discovery If Yes, cite reference:	☐	☐
Claims Establishment If Yes, cite reference:	☐	☐
Claims Collections If Yes, cite reference:	☐	☐
Claims Referred for Fraud Investigations If Yes, cite reference:	☐	☐
Claims Report Generation If Yes, cite reference:	☐	☐
Claims Reconciliation Requirements If Yes, cite reference:	☐	☐
TOP Processes If Yes, cite reference:	☐	☐

2. To the best of your knowledge, are the State claims S&Ps out of compliance with current Federal claims regulations, policy guidance or waiver?

    ☐ Yes
    ☐ No
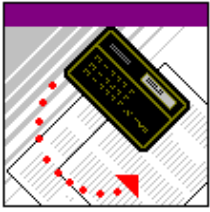
3. If yes, do you have a corrective action plan in place to correct any deficiency or variance? Please include any CAPs with your submission.

Variance/Deficiency 1 Summary:

☐   An action plan needs to be implemented to correct the variance
☐   FNS has approved the variance... an action plan is not needed at this time

Variance/Deficiency 2 Summary:

☐   An action plan needs to be implemented to correct the variance
☐   FNS has approved the variance... an action plan is not needed at this time

Comments:

4. If written claims S&Ps exist, is compliance with S&Ps by State and local staff considered mandatory or voluntary?

☐   Mandatory
☐   Voluntary
☐   Mixed

If mixed, explain:

5. Has the State agency established its own processing thresholds or standards for processing claims? If so, what are the thresholds/standards?

☐ Yes
☐ No

If yes, please specify:

6. Has the State agency established the policy of booking and collecting potential IPV claims as IHE claims pending the outcome of the IPV?

☐ Yes
☐ No

7. Are offices supposed to establish and book *potential* IPV claims on the eligibility/accounts receivable system(s)?:[3]

    ☐ Yes
    ☐ No

    If No, do you know the total value of cases designated as potential IPVs?:

    ☐ Yes   Total Value: $_____, as of __/__/__.
    ☐ No

---

[3] By potential IPVs, we are referring to cases which have been referred for fraud investigation, but the final disposition of the case is not yet known. Some agencies do not book the claims until the final disposition is known.

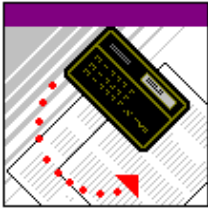8. How would you best describe how "fraud" or intentional program violations (resulting in an overpayment is determined in your State?   More than one option may apply:

☐ Administrative Disqualification Hearings are managed and operated at the State level.
☐ Administrative Disqualification Hearings are managed at a County or Local level (or at a level below the State agency level).
☐ Fraud or intentional program violation status may be determined by a State court with appropriate jurisdiction.
☐ Fraud or intentional program violation status may be determined by a County or Local court with appropriate jurisdiction.
☐ Other:

9. For those cases where the debt has NOT been established in the claims accounting system for these pending determinations, or where a demand letter has not been sent, can the agency support the number of cases and the value of the Program debt that has been referred to ADH or Prosecution for a fraud determination and is currently pending this determination?

☐ Yes
☐ No

If the State or Local Agency *can* supply the numbers, please provide the following:

Method of Determination	Number of Cases	Potential Debt Value	Estimate or Actual Numbers
Pending Prosecution		$	
Pending ADH		$	

If question 9 is answered NO, can the State agency reasonably estimate the number and the value of the debt?

☐ Yes → Estimated number: ; Estimated total value $
☐ No

If the agency can provide an estimate, describe how you arrive at these estimates:

10. Where State officials have indicated that State practice prohibits the establishment of the debt into the State's claims accounting system, or prohibits the issuance of the notification prior to any action by court or ADH staff, what is the basis for this position?[4]

---

[4] For example, opinion of State Counsel, precedent from past litigation, State administrative procedures, etc.

Automated Procedures:

1. List all of the automated systems that are used to support claims operations, each system's purpose, and who uses each system:[5]

System Name:	Claims Function(s):[6]	Users:
1.		
2.		
3.		
4.		

2. Provide documentation summarizing each system's environment[7] and functionality.

3. Are there interfaces between these systems *OR* is keying of the same data on multiple systems necessary?

---

[5] Some important claims data and functions may reside on PC-based systems. Remember to include systems that are used to track cases that have been referred for fraud investigation or prosecution.

[6] If system documentation is available that describes system functionality, simply note that the information is contained in item 2. User manuals or training materials will frequently suffice, as will excerpts from general or detailed systems design documents.

[7] If system documentation is unavailable or does not describe the environment, please briefly note the name of the application, if it's PC- or mainframe-based, whether it's home-grown or off-the-shelf, etc.

4. What tools and procedures are used to identify/resolve data discrepancies (*e.g.*, missing data, different data showing on different systems for the same account)?

Tool's name:[8]	User:	Purpose:
1.		
2.		
3.		
4.		
5.		

---

[8] Common tools are balancing, exception, and summary reports, and computer-assisted auditing tool (CAAT) software. Please provide the name of the tool (report number or CAAT's name).

5. Is access to these systems provided on a "need-to-know/do" basis only?[9]

System Name:	User(s):	Access:[10]	Scope:[11]
1.	1. 2. 3.	1. 2. 3.	1. 2. 3.
2.	1. 2. 3.	1. 2. 3.	1. 2. 3.
3.	1. 2. 3.	1. 2. 3.	1. 2. 3.
4.	1. 2. 3.	1. 2. 3.	1. 2. 3.

7. Are access violation or authorized user reports generated and reviewed by appropriate staff to ensure compliance with the "need to know/do" access principle?

☐ Yes
☐ No

---

[9] Note that this represents a rudimentary review of logical, or computer-based, access controls over the claims area. Most systems can control access to specific screens and fields based on the user's profile. The purpose here is to gain some confidence that access is controlled.

[10] A drop-down box will appear for those using the Guide "form" format. For all other users, use the following codes:

I : Inquiry only
U : Update (and inquiry) only - user can change information on existing accounts, but cannot create new ones
C : Create (and inquiry) only - user can create new accounts, but cannot change information on existing ones
D : Delete (and inquiry) only
P : Update and delete
O : All of the above

[11] Scope refers to the extent logical access is permitted: Is the user limited to his/her caseload, to the unit's or office's caseload, or can he/she affect claims data statewide? For those not using the "form" format (and, therefore, do not see drop-down boxes), use the following Scope codes:

C : Caseload limit
U : Unit or office caseload limit
O : Open (*i.e.*, can access any claim in the State)

If access violation or authorized user reports are generated, please complete the following:

Report Name/#	Report Type:	Who uses it?:	How is it used?
	☐ Access Violation ☐ Auth'd User List		
	☐ Access Violation ☐ Auth'd User List		
	☐ Access Violation ☐ Auth'd User List		

CO3. FNS-209 Report Issues: Use FNS-209 Report Module.

CO4. TOP Controls and Processes:

1. Do written S&Ps exist for both central and local TOP operations?

CENTRAL: LOCAL:

☐ Yes   ☐ Yes
☐ No   ☐ No

2. Provide a copy of (or create) flow charts or narrative description of TOP business processes at both the central and local office levels.

3. Assess the level of automation supporting TOP processes:

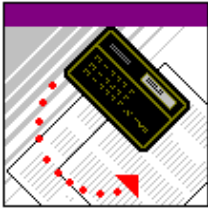| TOP Operation	Automated	Manual
1. Management reports on TOP eligibility[12]	☐	☐
2. Initial TOP file creation	☐	☐
3. 60-day notice to debtor	☐	☐
4. TOP update file creation[13]	☐	☐
5. Collection worksheet (to FNS)	☐	☐

4. IRS rules require strict confidentiality over TOP client information. In other words, TOP information should be available only on a "need to know/do" basis. Indicate how this is being done (check all that apply):

Control	Implemented?
1. TOP-specific screens were developed and access (both read and write ability) is given only to specific users with TOP responsibilities	☐
2. TOP fields have been added to existing screens, but general users do not know what those fields mean and the fields are protected so that only the "need to know/do" user can change them	☐
3. The repayment reason code and verbiage on the claims transaction history screen is non-specific... the user with general inquiry privileges cannot tell if the client is subject to TOP	☐
4. TOP summary and exception report distribution lists specifically direct these reports to TOP coordinators/managers	☐

---

[12] Central or local staff must (manually) screen claims files to determine if the claim meets TOP criteria. This line item asks whether management reports are available to help monitor staff progress (*e.g.*, summary reports showing the number of cases reviewed and review outcome, exception reports or alerts highlighting cases on which reviews have not been completed).

[13] In other words, can the State generate an update file using only the centralized accounts receivable/eligibility system. The update files contain information regarding balance adjustments and account deletions (*e.g.*, the client voluntarily repays his/her overpayment, bankruptcy has been found, ...)

CO5. Claims Management Tools

1. Provide templates, layouts or examples of claims-related reports available to central office staff.

2. Using management reports or audit and analysis tools, can you determine the following workload volumes by local office?

Condition	Yes	No
Number of cases referred to workers as potential claims per month[14]	☐	☐
Number of claims completed per month	☐	☐
Number of claims on which no collections have been made by length of time since the last collection (*i.e.*, aging reports)	☐	☐
Total number of claims on which the claims amounts/periods have been calculated, but the claim is in pending status for other reasons (*e.g.*, IPV investigations)	☐	☐
Number of claims in pending status by age (*e.g.*, 90-day, 180-day, 360-day pending reports)	☐	☐

   If these reports and/or tools exist, who uses them and for what?:

   Is any trend analysis of claims data done? If so, by whom and when?:

3. If the agency uses special computer-assisted audit tools (CAATs) or analysis software in the claims area, please specify what CAAT or software package you use:

---

[14] Based on an IEVS match, hot line complaint, client letter, etc.

CO6. Testing compliance with, and effectiveness of, claims S&Ps and processes:

1. Which of the following types of reviews have been used *in the past two years* to test compliance with, and effectiveness of, the claims S&Ps for the functions listed in the first column?

Function	Management Evaluations[15]	Single Audits	Focused Claims Reviews	Review of Mgmt Rprts[16]
Claims Establishment				
Claims Collections				
Fraud Referrals				
Claims Report Generation				
Claims Reconciliation Requirements				
TOP Processes				

If reviews and audits covered functions other than those listed in column 1, or if a unique review of the claims area was completed but does not fit in the categories listed above, please summarize below:
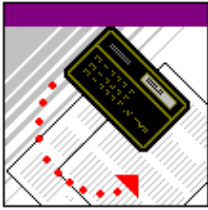
2. Who in the agency receives a copy of Single Audits?:

Are claims staff notified of Single Audit claims findings?

☐ Yes
☐ No

Who is responsible for responding to and following up on Single Audit claims findings?:

---

[15] These are usually conducted by State staff reviewing local office operations.
[16] This refers to computer-generated summary or exception reports.

3. Assess the thoroughness with which the most recent Single Audit examined the claims area:

☐ Thorough ☐ Adequate ☐ Cursory

4. Does your agency have a sizable number of pending claims?[17]

☐ Yes
☐ No

If Yes, how do you plan to address this problem?

5. How reliable and useful is the claims data you now receive in the form of computer-generated reports in:[18]

a) completing required federal (*e.g.*, FNS-209, TOP) and internal claims reporting requirements?

☐ Very useful ☐ Moderately useful ☐ Of little or no use

b) examining claims trends/developments statewide or within a specific office?

☐ Very useful ☐ Moderately useful ☐ Of little or no use

c) assessing the need for focused reviews of claims actions and processes statewide or within specific offices?

☐ Very useful ☐ Moderately useful ☐ Of little or no use

6. Is claims information from various sources (reports, reviews, etc.) analyzed and used by management to develop short- or long-term business objectives in the claims area?

---

[17] By sizable, we mean that the volume of pending claims is excessive when compared to either the FNS standard or the approved State standard for establishing claim referrals
[18] This is the information you get out of your centralized eligibility or accounts receivable system(s).

☐ Yes
☐ No

If so, please describe any quantitative or qualitative performance goals that you currently have for claims?

Recipient Claims
Self-Assessment Guide

FNS-209 Report Validation
Module

Revised
February 2002

Business Objectives:[1]

The organization will take the necessary steps to ensure that it can generate and validate FNS-209 report (*Status of Claims Against Households*) information within federal time frames

Control Objectives (**CO**):

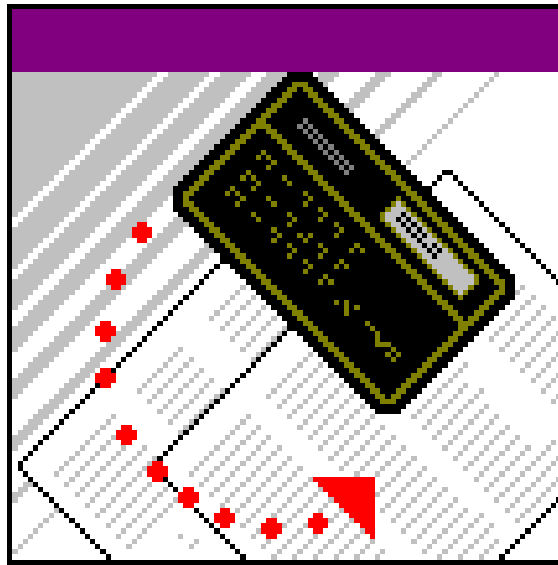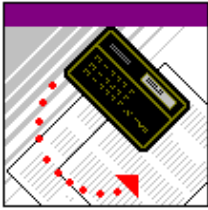An efficient and effective claims management system will have a number of well-devised manual and automated procedures in place to ensure that the FNS-209 report is accurate and submitted on time.

1. Competent and sufficient staff have been assigned to ensure that FNS-209 information is correct before submitting that report to FNS.

2. A system of automated and manual procedures are in place to ensure that FNS-209 report generation process accurately captures and summarizes actual transactions for each quarter.

3. Tools exist that allow managers to monitor the efficiency and effectiveness of claims reporting processes (*e.g.,* management reports, CAATs).

4. Independent reviews are conducted periodically to increase the confidence levels that the standards and procedures in place for the FNS-209 are being followed and remain effective (*e.g.*, internal audits, management evaluation reviews).

Review Requirements:

The staff who will complete this assessment will have a good understanding of how the FNS-209 report is generated or reconciled, as well as how the information on this report is checked for accuracy before it is submitted to FNS. For further explanation on FNS-209 data requirements, staff should refer to the *FNS-209 Validation Guide* (January 1995).

Some consultation with information technology staff may be necessary to complete some parts of this assessment.

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[1] Business objectives are the same as management or organizational objectives. They are the goals the organization hopes to achieve over a specific period of time.

CO1. Staffing/Organization Issues:

1. Provide organization charts that show where the FNS-209 functions are placed within the overall organization. Note the names of units/staff responsible for the following claims functions:

Function	Unit/Person's Name
a) Generating the FNS-209:	
b) Reconciling FNS-209 information:	
c) Submitting the FNS-209 to FNS:	

2. If available, provide job descriptions for key claims staff in the functions listed above.

CO2. Written and Automated Controls & Procedures:

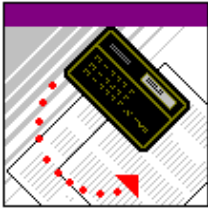### Written Standards & Procedures (S&Ps):

1. Does the State have *written* S&Ps for completing and reconciling FNS-209 report information?

        ☐ Yes
        ☐ No

2. If written S&Ps exist, is compliance with S&Ps by local staff considered mandatory or voluntary?

        ☐ Mandatory
        ☐ Voluntary

3. Provide (or copy) a flow chart or narrative description of FNS-209 reporting processes.

Automated Procedures:

1. List all of the automated systems that are used to support FNS-209 report generation/ validation processes:

System Name:	Claims Function(s):[2]	Users:
1.		
2.		
3.		

 Additional comments:

2. Provide documentation summarizing each system's environment[3] and functionality.

3. Are there interfaces between these systems *OR* is keying of the same data on multiple systems necessary?

4. What tools and procedures are used to identify/resolve data discrepancies (*e.g.*, missing data, different data showing on different systems for the same account)?

Tool's name:[4]	User:	Purpose:
1.		
2.		
3.		
4.		
5.		

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[2] If system documentation is available that describes system functionality, simply note that the information is contained in item 2. User manuals or training materials will frequently suffice, as will excerpts from general or detailed systems design documents.

[3] In many instances, technical documentation does not exist for locally developed/used systems; user manuals and training materials will frequently suffice. If no documentation exists, please briefly note the name of the application, if it's PC- or mainframe-based, whether it's home-grown or off-the-shelf, etc.

[4] Common tools are balancing, exception, and summary reports, and computer-assisted auditing tool (CAAT) software. Please provide the name of the tool (report number or CAAT's name).

5. Provide (or obtain copies of) flowcharts or procedures that describe the data extract/report generation processes for the FNS-209.

FNS-209 Validation Items:

Line 3a

Claims	A. IPV		B. IHE		C. AE	
Summary	Number	Amount	Number	Amount	Number	Amount
3a. Beginning Balance						

The Beginning Balance should include the number and the outstanding debt amount for all recipient claims that have been entered into the reporting system supporting the FNS-209.

1. The Beginning Balance is arrived at by:

    ☐ Carrying over the Ending Balance from previous quarter's report
    ☐ Derived from a new extract from the automated system

2. Describe the method(s) used to verify the accuracy of the Beginning Balance:

    How are discrepancies resolved?:

Line 3b.

Claims Summary	A. IPV		B. IHE		C. AE	
	Number	Amount	Number	Amount	Number	Amount
3b. Beginning Adjustments (+) or (-)						

This line is used to adjust balances to reflect amendments or corrections that need to be made because of changed or incorrect entries from a previous report. This line is also used to reflect previously reactivated compromised, or previously reactivated terminated claims or claims balances. This line includes interstate transfers (both those added into and those taken out of the system).

1. Does Line 3b include the following adjustments?:

☐ Previously reactivated compromised or previously reactivated terminated debt (debt previously written off as uncollectable)
☐ Interstate transfers
☐ Debt removal of adjustment of debt amounts as a result of hearings or court decisions
☐ TOP reversals
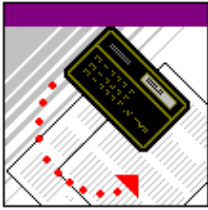☐ Repayments due to bankruptcy notification
☐ Other

If other, explain:

2. Is there documentation to support these adjustments?

☐ Yes
☐ No

3. Are these adjustments posted to the claims record and claims system?

☐ Yes
☐ No

Line 4.

Claims Summary	A. IPV		B. IHE		C. AE	
	Number	Amount	Number	Amount	Number	Amount
4. Newly Established						

This line is for the number and value of all claims established during the reporting period.

1. Describe the method(s) used to verify the accuracy of the Newly Established data:

2. How are discrepancies resolved?:

Line 5.

Claims Summary	A. IPV		B. IHE		C. AE	
	Number	Amount	Number	Amount	Number	Amount
5. Transfer (+) or (-)						

This line is to be used to record that a previously established claim has changed from one category to another because of a hearing or court determination.

1. When transfers are made, how is the claims record adjusted?

    ☐ Yes
    ☐ No

2. Are the adjustments supported by detailed documentation?

    ☐ Yes
    ☐ No

3. Where past collections are adjusted to account for a change in claim type in line 5, are the past collection amounts included in line 19?

    ☐ Yes
    ☐ No

Lines 6, 20a, and 20b.

Claims Summary	A. IPV		B. IHE		C. AE	
	Number	Amount	Number	Amount	Number	Amount
6. Refunds (20a+20b)						
20a. Cash Refunds						
20b. Non-Cash Refunds						

Line 6 is a claims summary adjustment line and contains information that has been brought up from Lines 20 (a and b) from the Collection Summary. Line 6 must equal the sum of lines 20a and 20b
Lines 20 (a and b) are limited to refunds that are a reimbursement to a client for collections in excess of the established liability.

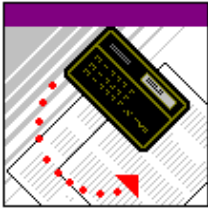1. How are refunds for overcollection made?:

☐ Yes
☐ No

2. Can supporting documentation be provided to support the refunds?:

☐ Yes
☐ No

3. Determine if the refunds reported for overcollections are included in the current or previous FNS-209 report.

Lines 8, 9, and 10.

Claims Summary	A. IPV		B. IHE		C. AE	
	Number	Amount	Number	Amount	Number	Amount
8. Closed						
9. Terminated						
10. Compromised						

Line 8 records the number of claims that have either been paid in full or compromised to $0 during the quarter.
Line 9 records the number and value of debt that has been determined to be uncollectible.
Line 10 reflects the number of claims and the cumulative amount by which those claims have been reduced.

1. Does the claims system automatically post the case as closed if a final payment is received?:

    ☐ Yes
    ☐ No

2. Can you generate a list of cases that have been closed, terminated, and compromised during the quarter?:
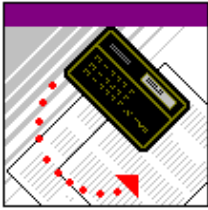
    ☐ Yes
    ☐ No

3. Are accounts routinely analyzed to determine if claims ought to be terminated and/or compromised?:

    ☐ Yes
    ☐ No

4. Do you have claims termination and compromise standards and criteria?:

    ☐ Yes
    ☐ No

    If so, do these standards/criteria comply with Federal regulations?:

☐ Yes
☐ No

Lines 11a, 11b, 18a, 18b, and 18c.

Claims Summary	A. IPV		B. IHE		C. AE	
	Number	Amount	Number	Amount	Number	Amount
11a. Collection (18a)						
11b. Collections Adj. (18b+18c)						
18a. Total (14+15+16+17)						
18b. Cash Adj (+) or (-)						
18c. Non-Cash Adj (+) or (-)						

Line 11a and 11b is brought up from lines 18a-c.

Line 18a is mathematically derived from entries on other lines of the report (total of lines 14-17).

Line 18b and 18c are used to record the total amendments or corrections related to lines 14-17 of a previous report. Adjustments to cash collections (from line 14) are included in line 18b. Adjustments to previous collections from lines 15-17 are included on line 18c.

1. Can cash and non-cash transactions be distinguished in the system?:
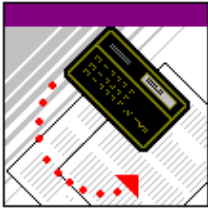
☐ Yes
☐ No

2. Can cash adjustments be substantiated with appropriate documentation?:

☐ Yes
☐ No

3. Can you provide a listing of cases that fell into the extract file for this line item, and used to generate the summary amounts?:

☐ Yes
☐ No

Line 12.

Claims Summary	A. IPV		B. IHE		C. AE	
	Number	Amount	Number	Amount	Number	Amount
12. Total						

For *Number* columns, enter the sum of lines 8 and 9 only.
For the *Amount* columns, enter the sum of lines 9, 10, 11a, and 11b. Be sure that (+) and (-) signs are used as appropriate.

Line 13.

Claims Summary	A. IPV		B. IHE		C. AE	
	Number	Amount	Number	Amount	Number	Amount
13. Ending Balance						

Line 13 is compiled by subtracting the subtotal on line 12 from the subtotal on line 7 in the Claims Summary.
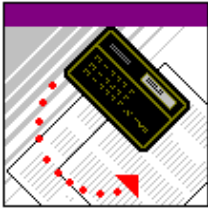
Line 14.

Claims Summary	A. IPV	B. IHE	C. AE
	Amount	Amount	Amount
14. Cash, Check, M.O.			

This line records the total amount of cash payments received during the quarter. This line should include TOP, State tax offset, funds referred from private collection agencies, and collections from State courts.

1. Do you include the following in line 14?:

    ☐ Cash, check, and money order collections
    ☐ TOP collections
    ☐ State tax offset
    ☐ Funds referred from private collection agencies
    ☐ Collections from State courts

    If any of the above are reported on another FNS-209 line item, please specify:

2. How are collections summarized for inclusion into the FNS-209?:

Line 15.

Claims Summary	A. IPV		B. IHE		C. SAE	
		Amount		Amount		Amount
15. Food Stamps						

Line 15 records the total amount of payments received in food coupons during the quarter. Payments made from deductions taken from the household's EBT benefit account *subsequent to issuance* should also be included in this line.

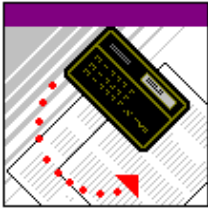1. Are there procedures for destroying or returning to inventory coupons received as payment?:

☐ Yes
☐ No

Do these procedures conform with Federal regulations?

☐ Yes
☐ No

If No, is an action plan in place to implement correct procedures?:

☐ Yes
☐ No

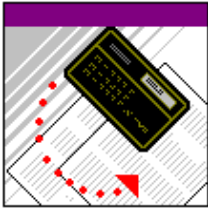2. Does the total value of coupons accepted as payment during the quarter match the disposition logs?:

☐ Yes
☐ No

3. How are EBT benefits returned in payment credited to the client's account?:

Line 16.

Claims Summary	A. IPV	Amount	B. IHE	Amount	C. SAE	Amount
16. Recoupment						

This line records the total value of payments received through allotment reduction during the quarter.

1. Are there standards and procedures describing how recoupment actions are initiated against individuals with outstanding claims?:
2. Are recoupment amounts/percentages correctly calculated by the system?
3. How timely are recoupment actions initiated?
4. Are allotment reductions posted to the client's claims record and/or system?

Line 17.

Claims Summary	A. IPV		B. IHE		C. SAE	
		Amount		Amount		Amount
17. Offset						

Line 17 is to be used to record the total amount of payments made by offsetting restored benefits against outstanding claims balances.

1. Does the eligibility system automatically withhold benefit underpayments to reduce/eliminate recipient claims balances?
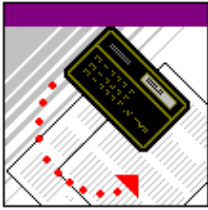
☐ Yes
☐ No

2. How is the offset applied when more than one debt exists for the client?

3. How is the offset payment posted to the client's claims account?

4. Can you provide documentation to support line 17 entries? (For example, can you list all cases and offset amounts that were rolled up into line 17?)

☐ Yes
☐ No

Line 19.

Claims Summary	A. IPV		B. IHE		C. SAE	
		Amount		Amount		Amount
19. Transfers (+) or (-)						

Line 19 records the payments reported on previous reports collected from claims that were reported as transfers on line 5 in the current FNS-209 report.

Line 21.

Claims Summary	A. IPV		B. IHE		C. SAE	
		Amount		Amount		Amount
21. Total (18a+18b+18c+19-20a-20b)						

CO3. Claims Management Tools

1. Examine the list of central office claims reports. Are any of these used (or could be used) to identify FNS-209 summary problems?
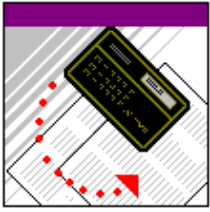
   ☐ Yes
   ☐ No

2. Do you use computer-assisted auditing tools (CAATs) to periodically assess the accuracy of FNS-209 reports being generated by your eligibility/accounts receivable system(s)?

   ☐ Yes
   ☐ No

   If Yes, what CAATs are used, who uses them and how are they used?:

3. Does the State routinely reconcile its FNS-209 balances with a system of records?

☐ Yes
☐ No

4. Are the individual debtor record files adjusted based on collections made?

☐ Yes
☐ No

5. Is the State agency able to generate an audit trail for the most recent FNS-209?

☐ Yes
☐ No

### CO4. *Testing compliance with, and effectiveness of, claims S&Ps and processes:*

1. How does the agency ensure that staff are following FNS-209 reporting procedures?:

2. Which of the following types of reviews have looked at the FNS-209 reporting processes (specifically or as part of an overall financial reports review)?:

☐ Single Audits
☐ Other Internal Audit
☐ External Audit (conducted by federal or private sector staff)

If reviews and audits covered functions other than those listed above, please briefly summarize the scope of the review and who conducted the review:
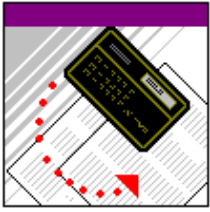
3. Did the reviews result in any findings that pertained to, or affected, the FNS-209?:

☐ Yes
☐ No
☐ Not applicable... no reviews have been conducted in the past two years

If Yes, what were they?:

Are any of the findings (those that required corrective action) listed above still open and unresolved?

☐ Yes
☐ No
☐ Not applicable... no reviews have been conducted in the past two years

If Yes, which ones are still open?:

4. How reliable is the claims data you now use to complete the FNS-209?:

☐ Very reliable   ☐ Fairly reliable   ☐ Unreliable   ☐ Don't know